

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF PUERTO RICO

IN RE  
JM DAIRY INC.  
EIN #76-0725123

Debtor

CASE #19-02168 ESL  
CHAPTER 11

D.I.P. §1121(e)(3) SECOND REQUEST EXTENSION TIME TO FILE PLAN w/  
REQUEST FOR SHORTENED NOTICE TO CREDITORS & PARTIES  
IN INTEREST FOR OPPORTUNITY TO OPPOSE

TO THE HONORABLE COURT:

COMES NOW, the debtor in possession who respectfully prays as follows for extension to file its chapter 11 plan pursuant to §1121(e)(3):

1. On **April 18, 2019** the above captioned debtor filed its petition under the dispositions of Chapter 11 of the Bankruptcy Code. The debtor has continued to operate its business as debtor in possession pursuant to §1101 and §1107 of Title 11 of the United States Code as a Small Business as defined at §101(51) (d) and pursuant to §1116.
2. The §341 Meeting of Creditors has been heard and closed as of **May 24, 2019** and the Status hearing was heard on **June 25, 2019**.
3. Section 1121(e)(2) allows for extension of the 300 days in which a plan must be filed and the court, for cause, extends the period upon notice to creditors and parties in interest in that of the U.S. Trustee of the motion and cause for the extension of the 300 days has been provided by the debtor. The Order extending the 300 days must be entered prior to **August 4, 2020**.
4. The filing deadline for submission of the Plan of Reorganization was originally set for **February 12, 2020** pursuant to §1121(e)(2), and extended until **August 4, 2020**.
5. Since the filing of the bankruptcy petition 15 months ago, debtor has been able to maintain all taxes current [as of July 2020] as well as its other post-petition obligations and services.
6. The MOR's and the U.S. Trustee's commissions are current.
7. Debtor requires a second extension of at least 180 days, or until **January 26, 2021** to allow debtor to continue to boost milk production and profits to allow for the funding of a chapter 11

Plan.

8. Additionally, and unexpectedly, ORILL has suspended sale of debtor's milk due to a lowered quality of the milk since the beginning of June. The Administrative Complaint by ORILL is in process awaiting an administrative hearing, which should be scheduled within 90 days. The administrative process has now entered the discovery stage and is being defended by debtor before the Administrative Judge.
9. This unexpected event has added to the constant struggle suffered by the dairy farmers in Puerto Rico resulting from the high cost of operation, of feed and a scarce source of water supply that during the last summer months has admittedly impacted the health of the milking cows, not atypical to this time of the year, but nevertheless, was not expected to reach the level of an administrative complaint against the debtor.
10. It is under these circumstances that debtor will continue to require an extension of an additional 180 days to file its Plan and Disclosure Statement, or until at least **January 26, 2021** to allow debtor to recover its rights to sell its milk product and allow for what debtor continues to hope will be a 100% distribution to its creditors under its Plan of Reorganization.
11. A reduced notice period of 3 days is requested under the circumstances, or, in the alternative, granting of the extension by this Court prior to the expiration of the extended 300 days' subject to any opposition filed within the notice period. The undersigned attorney will send notice of this motion electronically to the parties with a known electronic address, in addition to the CmEcf participants.
12. The fresh milk market and the milk industry continues to take a hit in Puerto Rico, starting off the 2020 year with the earthquakes which caused the schools to shut down, further reducing the already diminishing demand for fresh milk.
13. After this event, the Court may take judicial notice of the pandemic which has also closed the schools since March 15, 2020 to this date, further adding to the already diminishing demand for fresh milk.
14. Both the earth quakes at the beginning of the year and the pandemic also closing down schools and school lunch programs have lowered the consumption of fresh milk, in conjunction to issues in the milk industry as recently as in October 2019 with the change by ORIL of pricing levels, now all even more exacerbated with the administrative complaint by ORILL has certainly negatively impacted debtor's reorganization effort.
15. Despite these events' debtor had thankfully kept its operation producing until June when Orill

ordered that debtor cease the sell of its milk to Suiza Dairy.

16. The MOR for June 2020 shows somewhat of a profit despite not being allowed to sell milk, from the incentives that the U.S. government has thankfully provided the dairy farmers. Notwithstanding, the profits will in all probability not begin to increase while the administrative complaint is resolved one way or another for the debtor, at the conclusion of which the debtor will hopefully to be able to propose a Plan at a 100% payout, as debtor has planned until very recently.
17. Debtor's plan will provide for total payment of its administrative expenses, outstanding priority tax obligations, its two secured claim holders, and hopefully a higher percentage payout to its unsecured claim holders than that required by the liquidation value of this Estate.
18. Under the circumstances there is cause and justification to extend the time to file a Plan in this case to allow debtor to boost its milk production and bring up the profits to allow the viability of a reorganization Plan.

WHEREFORE, D.I.P. respectfully prays:

- a) That the §1121(e)(2) period to file the chapter 11 Plan be extended;
- b) find that debtor has shown sufficient cause in order to extend the time to file the Small Business Plan;
- c) allow the extension of an additional 180 days, time to expire on **January 26, 2021**;
- d) that the Court enter the Order before the expiration of the extended 300 days on **August 4, 2020**;
- e) Any other remedy that this Court deems necessary and proper.

#### NOTICE

Within three (3) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this paper has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (i) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the Court, the interest of justice requires otherwise.

I HEREBY CERTIFY, that on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF Filing System which will send a notification, upon information

and belief, of such filing to the U.S. Trustee and to all subscribed users and the other parties pursuant to this Court's matrix with a shortened notice period to oppose debtor's request of 3 days, granting of the same subject to a timely objection thereafter. I additionally certify that the undersigned will electronically notice this request to the following parties as of this same date and time.

JUAN C FORTUNO FAS for USDA FARM SERVICE AGENCY [bkfilings@fortunolaw.com](mailto:bkfilings@fortunolaw.com),  
[fortuno@ecf.inforeruptcy.com](mailto:fortuno@ecf.inforeruptcy.com) MONSITA LECAROSZ ARRIBAS [ustpreregion21.hr.ecf@usdoj.gov](mailto:ustpreregion21.hr.ecf@usdoj.gov)  
MIGDA L RODRIGUEZ COLLAZO for TREASURY DEPARTMENT OF PR  
[bankruptcyjusticia.gobierno.pr@gmail.com](mailto:bankruptcyjusticia.gobierno.pr@gmail.com), [mlrcbankruptcy@gmail.com](mailto:mlrcbankruptcy@gmail.com)

STATE INSURANCE FUND CORP [Alejandro.Suarez@cfse.gov.pr](mailto:Alejandro.Suarez@cfse.gov.pr)  
ALEJANDRO A SUAREZ CABRERA for STATE INSURANCE FUND CORP  
[Alejandro.Suarez@fondopr.com](mailto:Alejandro.Suarez@fondopr.com), [aasuarezcabrera@yahoo.com](mailto:aasuarezcabrera@yahoo.com)  
US TRUSTEE [ustpreregion21.hr.ecf@usdoj.gov](mailto:ustpreregion21.hr.ecf@usdoj.gov)

MONSITA LECAROSZ ARRIBAS [ustpreregion21.hr.ecf@usdoj.gov](mailto:ustpreregion21.hr.ecf@usdoj.gov)

And by postal mail to:

NATHALIE PELAEZ for IRS at City View Plaza II, 48 PR 165, Ste. 2000, Guaynabo 00968-8000  
ANTONIO R LANZAR YURET, Esq. for PR DOL PO Box 195540, San Juan 00919-5540  
ADM ALLIANCE NUTRITION OF PR PO Box 959, Hatillo 00659-0908  
DAWILMAR FRANCO Laboratorio Rodríguez, 71 Calle P H Hernández, Hatillo 00659  
ELA LAND AUTHORITY PO Box 9745, San Juan 00908  
CONDADO 5 LLC PO Box 190058 San Juan 00919  
LUIS GARCIA, PO Box 1057, Arecibo 00613-1057

RESPECTFULLY SUBMITTED,

In Caguas, Puerto Rico, this July 30, 2020.

*LA Morales*

s/LYSSETTE A. MORALES VIDAL  
USDC PR #120011

L.A. MORALES & ASSOCIATES P.S.C.  
VILLA BLANCA  
#76 AQUAMARINA STREET  
CAGUAS PR 00725-1908  
TEL. (787) 746-2434 eFAX (1-855) 298-2515  
[lamoraleslawoffice@gmail.com](mailto:lamoraleslawoffice@gmail.com) &  
[irma.lamorales@gmail.com](mailto:irma.lamorales@gmail.com)